



British Columbia Securities Commission

By regular mail

September 16, 2009

Dear Mr. Wong:

Philip Wong

This letter notifies you and the British Columbia Securities Commission (the Commission) that the Executive Director of the Commission (the Executive Director) is applying for orders against you under sections 161(6)(a) and 161(1) of the Securities Act, RSBC 1996, c. 418 (the Act).

A. Background Facts

1. In the *United States of America v. Philip Wong*, docket number 07 Cr. 1148, the United States Attorney (the US Attorney) filed an Information against you in the United States District Court Southern District of New York (New York Information). The New York Information included three counts. In count one, the US Attorney alleged that you had conspired to commit securities fraud in relation to TotalMed, Inc. and eNotes Systems, Inc.(eNotes) securities. In counts two and three, the US Attorney alleged that you committed securities fraud with respect to trading in the securities of eNotes and Jake's Trucking International Inc., respectively.
2. In the *United States of America v. Phil Wong and Jerry Stefaniuk*, docket number 08 Cr. 502, you were indicted by a Grand Jury in the District of New Jersey (New Jersey Indictment) on two counts. Count one was an allegation of conspiracy to commit securities fraud in connection with trading in securities of a company named Secureware, Inc. (Secureware). Count two was an allegation of securities fraud in relation to Secureware securities.
3. In the New Jersey Indictment, the Grand Jury alleged that you and another individual schemed to manipulate Secureware shares by artificially inflating the demand and price, in order to allow you to sell your Secureware shares at a profit. You planned to do so by paying secret bribes to stockbrokers to cause their customers to purchase Secureware shares.

4. On March 18, 2008, the Executive Director issued a Temporary Order and Notice of Hearing against you in relation to the allegations in the New York and New Jersey proceedings. On April 2, 2008, the Commission extended the Temporary Order until a hearing is held.
5. On July 23, 2008, you entered into a plea agreement with the United States Attorney, Southern District of New York, in which you plead guilty to counts one, two and three of the New York Information and counts one and two of the New Jersey Indictment (the Plea Agreement). You agreed to forfeit \$197,710 (US), which was the sum traceable to your fraud.
6. Also on July 23, 2008, you entered a guilty plea with respect to the above charges in the United States District Court, Southern District of New York. Your plea was recorded in the transcript of the proceedings in *United States v. Philip Wong*, docket numbers 07 Cr. 1148 and 08 Cr. 502 (Plea Transcript).
7. On October 23, 2008, you were sentenced to 21 months incarceration on all counts, to be served concurrently, followed by 2 years supervised release. Your sentence was recorded in the transcript of the proceedings in *United States v. Philip Wong*, docket number 07 Cr. 1148 (Sentence Transcript).

B. Orders Sought

8. In this application, the Executive Director seeks the following orders:
 1. under section 161(1)(b) of the Act, that you cease trading in, and are permanently prohibited from purchasing, securities and exchange contracts, except that you may trade and purchase securities through accounts in your name at a registered dealer;
 2. under section 161(1)(d)(i) and (ii) of the Act, that you resign any position you holds as a director of any issuer, registrant or investment fund manager, and that you are permanently prohibited from becoming or acting as a director of any issuer, registrant or investment fund manager;
 3. under section 161(1)(d)(iii) of the Act, that you are permanently prohibited from becoming or acting as a registrant, investment fund manager or promoter;
 4. under section 161(1)(d)(iv), that you are prohibited from acting in a management or consultative capacity in connection with activities in the securities market; and

5. under section 161(1)(d)(v), that you are prohibited from engaging in investor relations activities.

9. The Executive Director is not seeking any monetary sanctions against you.

10. The Executive Director submits that it is in the public interest to ban you from the securities market in British Columbia permanently. This would be consistent with sanctions imposed by the Commission in *Virtual Community Exhibitions Inc. and Ralph Kelly*, 2008 BCSECCOM 560 (*Kelly*), and *Sniper Sports Ltd.*, 592087 BC Ltd., and *Glenn Anthony Rosen*, 2005 BCSECCOM 560 (*Rosen*). In both *Kelly* and *Rosen*, permanent market bans were imposed on the individual respondents for frauds under \$500,000.

C. Supporting Materials

11. In making this application, the Executive Director relies on the following:

- a) New York Information
- b) New Jersey Indictment
- c) Plea Agreement
- d) Plea Transcript
- e) Sentence Transcript

12. I enclose a copy of each of the above documents and section 161 of the Act, along with the *Kelly* and *Rosen* decisions.

D. Application to Discontinue Temporary Order

13. In the event that the Commission makes orders against you pursuant to this application, the Executive Director will make a further application to discontinue the Temporary Order.

E. Your Response

14. You are entitled to respond to this application. To do so, you must deliver any response in writing, together with any supporting materials, to the Secretary to the Commission by **October 26, 2009**.

15. The contact information for the Secretary to the Commission is:

Ann Gander
Secretary to the Commission
British Columbia Securities Commission
12th Floor, 701 West Georgia Street
Vancouver, BC V7Y 1L2
E-mail: commsec@bcsc.bc.ca

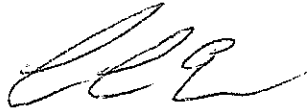
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Telephone: 604-899-6534

If you do not respond within the time set out above, the Commission will decide this application and may make orders against you without further notice to you.

16. The Commission will send you a copy of its decision.

Yours truly,

A handwritten signature in black ink, appearing to read 'LEE', written in a cursive style.

Langley E. Evans
Director, Enforcement Division

BMT/pmc
Encls.

cc: Ann Gander (by email)
Secretary to the Commission